

12/31/87 WED 13:41 FA

SUE W. KELLY
19TH DISTRICT, NEW YORK

COMMITTEE ON
TRANSPORTATION AND INFRASTRUCTURE
SUBCOMMITTEE ON SURFACE TRANSPORTATION
SUBCOMMITTEE ON WATER RESOURCES
AND ENVIRONMENT

COMMITTEE ON SMALL BUSINESS
CHAIRMAN, SUBCOMMITTEE ON REGULATORY
REFORM AND PAPERWORK REDUCTION

COMMITTEE ON BANKING AND
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SUBCOMMITTEE ON FINANCIAL INSTITUTIONS
AND CONSUMER CREDIT
SUBCOMMITTEE ON HOUSING AND
COMMUNITY OPPORTUNITY

ASSISTANT MAJORITY WHIP

EX PARTE DOCKET NO. 97-82

Congress of the United States
House of Representatives
Washington, DC 20515-3219

002

PLEASE REPLY TO:
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WASHINGTON, DC 20515
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☐ 21 OLD MAIN STREET, ROOM #205
FISHERILL, NEW YORK 12524
(514) 887-5200
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MT. KISCO, NEW YORK 10948
(914) 241-8340

December 31, 1997

The Honorable William Kennard
Chairman
Federal Communications Commission
1919 M Street, NW, Room 814
Washington, D.C. 20554

Dear Chairman Kennard:

On August 11, 1997, I wrote a letter in support of a commercially reasonable restructuring of the payment terms for C-block Personal Communications Service (PCS) licensees. As you begin your tenure as Chairman of the Commission, I would like to go on record again saying that these licensees still need a commercially reasonable option that will allow them to construct and operate their networks in order to bring new services at competitive prices to consumers. These entrepreneurs and small businesses must be given a chance to access the marketplace if the goals of Congress as written in the Telecommunications Act of 1996, including the promotion of competition in the local telephone and wireless markets, are to be met. As a member of the Small Business Committee, I urge you to adopt a plan on the reconsideration that will allow the C-block licensees to move forward in the provision of their service to the public.

Again, I want to thank the Commission for its time and consideration.

Sincerely,



Sue Kelly
Member of Congress

cc: The Honorable Susan Ness
The Honorable Harold Furchtgott-Roth
The Honorable Michael K. Powell
The Honorable Gloria Tristani
Ms. Magalie Roman Salas (for inclusion in WT Docket No. 97-82)

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APR - 2 1998

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OFFICE OF THE SECRETARY

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PAUL D. COVERI
GEORGIA

EX PARTE
DOCKET NO. 97-82

CHAIRMAN
RN HEMISPHERE SUBCOMMITTEE
FOREIGN RELATIONS COMMITTEE

United States Senate

WASHINGTON, DC 20510-1004

September 24, - 1997

Mr. Reed Hundt
Chairman
Federal Communications Commission
1919 M Street, N.W.
Washington, D.C. 20554

Dear Mr. Hundt:

Several Georgia businesses have recently brought to my attention that the FCC is currently considering proposals to drastically alter the terms and conditions for PSC licenses awarded in a small business auction held last year. As it has been explained to me the proposals being considered may rescue and even reward a few bidders at the cost to many others who played by the rules and put their faith in the integrity of the federal government and its auction terms.

I am concerned by the reports that I have received on the effects that any change to the FCC's rules for prompt and full payment of the prices bid in the auction may have. It appears that such a change made fully one year after the auction ended may be fundamentally unfair to the over 150 small businesses who left the auction and their businesses behind. It would also appear to be unfair to small businesses that won licenses in the auction and are now proceeding to build out their networks.

As a member of the Senate Small Business Committee, I am also concerned by the assertion that the fate of this auction may have detrimental effects on all future spectrum opportunities for small businesses that can not pay for their licenses in cash, but will honor their payment obligations to the government.

The impact on the recently-passed budget agreement is also a concern if bidders are not held to honor their payment commitments to the government or return the licenses. In order to achieve the balance budget predicted by that Agreement, we must assume that all stakeholders, including spectrum license holders will honor their commitments to the government. It has been

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relayed to me that any targeted bailout for select licensees that permits these parties to rebid for licenses or discount the prices they voluntarily agreed to pay is fundamentally unfair not only to other small businesses and licensees but also to the American taxpayers. I was told also that the Congressional Budget Office indicated in a recent report that sticking to the current rules would be fair to all bidders and preserve the integrity of future auctions.

While I would appreciate a clarification of the issues raised, I encourage the Commission to consider carefully its guidelines and the rules of the road under which many of these Georgia businesses competed in this process. Thank you for your attention to this matter.

Sincerely,



Paul D. Coverdell
United States Senator

PDC/bg

HOUSE OF REPRESENTATIVES
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<http://www.house.gov/ackerman>

EX PARTE DOCKET NO. 97-82

Gary L. Ackerman

Congress of the United States

5th District, New York

COMMITTEE ON
INTERNATIONAL RELATIONS

RANKING DEMOCRAT, SUBCOMMITTEE ON
THE WESTERN HEMISPHERE

SUBCOMMITTEE ON INTERNATIONAL
OPERATIONS

COMMITTEE ON BANKING AND
FINANCIAL SERVICES

SUBCOMMITTEE ON CAPITAL MARKETS,
SECURITIES AND GOVERNMENT
SPONSORED ENTERPRISES

SUBCOMMITTEE ON FINANCIAL
INSTITUTIONS AND CONSUMER CREDIT

DEMOCRATIC STEERING COMMITTEE

January 15, 1998

The Hon. William Kennard, Chairman
Federal Communications Commission
1919 M Street, N.W. Room 814
Washington, D.C. 20554

Dear Mr. Kennard,

I am writing on behalf of my constituent, Manoj Bose of 130 Shore Road, Port Washington, NY.

Mr. Bose is a small businessman who is a Wireless Reseller in the North East region. He is greatly concerned at what he alleges is a structural problem that must be resolved if the small businessman is to help build the telecommunications industry in this area.

As a former small businessman, I know how difficult it is to keep a small business alive during the critical start-up period. It takes a great deal of skill to maintain new business if there is revenue coming in. It would take a magician to keep one going without being able to look for a new business to grow and expand as a new business should.

I urge you to give your full consideration to resolving the matter of restructuring payments for the C-Block.

Thank you for your kind consideration of this request.

Sincerely,


GARY L. ACKERMAN
Member of Congress

G.A./mc

EX PARTE
DOCKET NO. 97-82

United States Senate

WASHINGTON, DC 20510

January 29, 1998

The Honorable William Kennard
Chairman
Federal Communications Commission
1919 M. Street, N.W.
Room 814
Washington, DC 20554

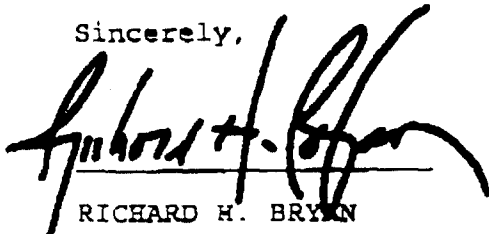
Dear Chairman Kennard:

I understand that the FCC currently is reconsidering the restructuring plan for C-Block PCS licenses that it adopted last Fall. While I realize this decision must be very difficult, I urge you to make small changes that will give these licensees commercially reasonable restructuring options. In the first place, I believe that the plan put forth by the Small Business Administration which defers payment in the early years of the repayment schedule is quite reasonable. Secondly, any option you adopt should not carry with it financial penalties. Such actions will promote increased investment in wireless infrastructure in Nevada and elsewhere, create a substantial number of new jobs, and foster increased competition in the telecommunications marketplace.

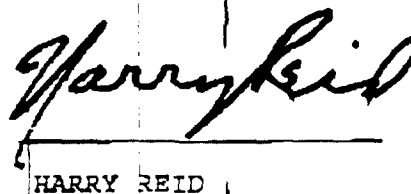
The Telecommunications Act of 1996 and the spectrum auction authorization provisions of the Omnibus Budget Reconciliation Act of 1993 sought to create new opportunities for small businesses to compete in the telecommunications marketplace. The C-block licenses represent real, facilities-based competition that will ensure that businesses in Nevada can work together to provide innovative new services to consumers. Granting C-block licensees with commercially reasonable restructuring options will ensure that consumers throughout Nevada are not denied the significant benefits of competition through new telecommunications goods and services at reasonable prices that Congress originally envisioned.

Again, I believe the commission should act quickly to defer payments on C-block licenses in the early years of the repayment term. Such action will ensure that network buildout can continue, thus reducing the amount of time for such companies to generate cash flows to repay the government the principal and interest payments originally pledged. Such actions also will ensure that the public is not denied the significant benefits that wireless competition will deliver.

Sincerely,



RICHARD H. BRYAN



HARRY REID

News from Ed Markey

United States Congress Massachusetts Seventh District

FOR IMMEDIATE RELEASE
September 25, 1997

CONTACT: Colin Crowell
(202) 225-2836

MARKEY STATEMENT ON "C-BLOCK" DECISION

WASHINGTON, DC -- The following is the statement of U.S. Representative Edward J. Markey (D-MA), Ranking Democrat on the House Telecommunications, Trade, and Consumer Protection Subcommittee, on the decision at the Federal Communications Commission (FCC) regarding the so-called "C-Block" license winners of the wireless phone auctions.

"Two weeks ago, I wrote to the FCC with Telecommunications Subcommittee Chairman Tauzin and proposed an additional option for addressing the plight of entrepreneurial companies burdened with large debts and struggling to offer competing wireless services in markets across the country. Our hope was that our proposal could serve as a compromise and avail a number of C-Block licensees of the opportunity to avert bankruptcy, restructure their businesses, and begin offering service to consumers in the near future.

"Today it appears that our effort to craft a compromise at the FCC did not materialize.

"I remain concerned that large scale defaults may still occur as a result of today's FCC decision, with numerous licenses consequently languishing in bankruptcy court. Such an outcome would clearly undermine the central goal of telecommunications policy in this area, which is to provide competitive alternatives and lower prices in the marketplace for consumers as rapidly as possible. As we learn more about the full impact of today's decision, I believe it may become necessary for the FCC to revisit this issue."

#

COMMERCE COMMITTEE

NEWS RELEASE

FOR IMMEDIATE RELEASE
THURSDAY, SEPTEMBER 25, 1997

CONTACT: CHRISTINA GUNGOLL
TEL.: (202) 225-5735

Statement of U.S. Representative Tom Bliley (R-VA)
Chairman of The House Commerce Committee
on the FCC'S Decision on C-Block Financing

WASHINGTON (September 25) — House Commerce Committee Chairman U.S. Rep. Tom Bliley (R-VA) today issued the following statement in response to the Federal Communication Commission's decision on C-Block financing:

"While recognizing that the Federal Communications Commission has devoted substantial attention to the issue of viable wireless competition via the 'C Block,' I wish to register my concern that the goals of service to the public and competition of both the 1993 spectrum auction legislation and the landmark Telecommunications Act of 1996 were not fully reflected in the menu of options presented today. American consumers continue to await a broadly competitive telecommunications marketplace, and have not yet been the beneficiaries of full wireless resale and local loop competition.

"The Commission did not exercise the flexibility available to it under its existing rules, which could have enabled new entrepreneurial companies to aggressively build out competitive networks, while still ensuring that taxpayers receive the highest percentage of sums bid in the C Block auction.

"I am particularly concerned that the Commission has not appreciated the will of Congress, as it has been communicated throughout this proceeding. As he departs the Chair of the FCC, I wish to extend my appreciation to Chairman Hundt for dissenting on those points of today's decision that do not reflect a sufficient appreciation for the importance of practical solutions to the C Block dilemma. I look forward to working with the new Commission to fully resolve these areas of concern."



Commerce Committee Democrats

Congressman John D. Dingell, Ranking Member

**Statement of Congressman John D. Dingell
Ranking Democrat, House Commerce Committee
September 25, 1997**

The Commission mangled a fair and sensible plan supported by its Chairman and several Members of Congress that would have avoided defaults and bankruptcy litigation. A trip to bankruptcy court only delays the onset of market competition and the delivery of new products and services, and costs the taxpayer billions in lost revenue. The FCC's chosen course should be reconsidered by the next Commission.

###

(Contact: Dennis Fitzgibbons 202/225-3641)



News Release • Third District • Louisiana

Congressman

Billy Tauzin

Contact: Ken Johnson, Press Secretary • (504) 222-4001

EDITOR'S NOTE: Corrected copy. Original was sent out inadvertently.

Tauzin Reacts to FCC Decision

WASHINGTON (Sept. 25, 1997) -- Congressman Billy Tauzin (R-LA), Chairman of the House Subcommittee on Telecommunications, Trade, and Consumer Protection, issued the following statement today concerning the FCC's C-block auction agreement:

"Clearly, the FCC was in a difficult spot, but I am concerned that today's decision may not resolve the problem.

"Simply put, I am disappointed and frustrated. I sincerely believed that the bipartisan compromise offered by myself and Congressman Markey could have provided the framework for a settlement that not only protected the government's financial interest, but also presented the affected companies with a variety of options to avoid bankruptcy.

"Unfortunately, in recent weeks, this became an in-house political issue as much as it was a regulatory issue. Because of this whole, sorry affair, I am renewing my efforts to develop a comprehensive spectrum management plan which better safeguards this valuable national asset."

#####

BARBARA BOXER
CALIFORNIA

EX PARTE DOCKET NO. 97-82

United States Senate

HART SENATE OFFICE BUILDING
SUITE 117
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URBAN AFFAIRS
BUDGET
ENVIRONMENT
AND PUBLIC WORKS

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1206*

February 13, 1998

The Honorable William Kennard
Chairman
Federal Communications Commission
1919 M Street, NW
Room 814
Washington, DC 20554

Dear Chairman Kennard:

I am writing to request that the Federal Communications Commission (FCC) reconsider its Report and Order on restructuring the C-Block PCS licenses, and to consider a limited deferral of payments.

Please consider the harm to California businesses and financial backers who supported competitive entry in the C-Block. It is my understanding that orders to manufacturers were put on hold, and investors, including the California State Employees' Pension Fund, viewed delays in the process as ~~plaging their investment at risk~~ ~~who are~~ ~~some C-Block~~ ~~licensees~~ who either are headquartered in or serve California consumers are experiencing a market which is more cautious now than at the time of the bidding, over a year and a half ago.

As part of the FCC process of reconsideration of its September decision, I would hope and expect the FCC to adopt a commercially reasonable solution which would be a non-punitive approach for small businesses who are working to ensure competition in California through new products and services, as Congress envisioned. While I do not believe C-Block licensees should be unjustly enriched by benefiting from unexpected special terms, I do believe the FCC can develop a commercially reasonable solution that allows C-Block licensees to build out their network as expeditiously as possible to bring competitive services to Californians.

Section 309(j) of the Communications Act directs the FCC to promote opportunities for participation by small businesses and other designated entities in spectrum-based services. Given that the FCC, at the direction of Congress, actively encouraged the participation of

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415 398-0100

2250 EAST IMPERIAL HIGHWAY
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650 CAPITOL MALL
SUITE 8544
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(209) 497-5109

525 B STREET
SUITE 990
SAN DIEGO, CA 92101
(619) 239-3884

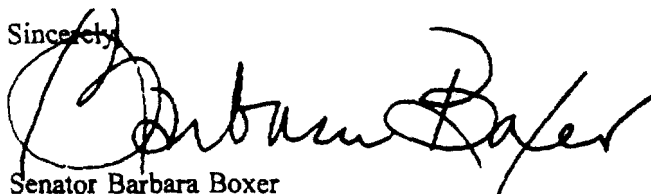
210 NORTH E STREET
SUITE 210
SAN BERNARDINO, CA 92401
(909) 886-8525

PRINTED ON RECYCLED PAPER

small businesses in the C-Block auction, I believe the FCC should resolve this in a manner that accounts for the experience of both the FCC and these entities, without resulting in undue inequities for those complying with repayment obligations.

Thank you for your consideration in this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Barbara Boxer", written over a circular stamp or seal.

Senator Barbara Boxer
United States Senator

cc: Commissioner Susan Ness
Commissioner Gloria Tristani
Commissioner Michael Powell
Commissioner Harold Furchtgott-Roth

FEB. 12, 1998

EX PARTE
DOCKET NO. 97-82

NO. 558 P. 2/2

J. ROBERT KERREY
NEBRASKA

United States Senate

WASHINGTON, DC 20510-2704

February 12, 1998

The Honorable William Kennard
Federal Communications Commission
1919 M Street N.W.
Washington, D.C. 20554

Dear Chairman Kennard:

I am writing with regard to the Federal Communications Commission's (FCC) current proceeding concerning C-block spectrum auction payment structures. I understand the difficulties inherent to finding an equitable solution to this situation and appreciate your commitment to working with all concerned parties to conclude this proceeding in a manner that will improve the spectrum auction system and promote competition.

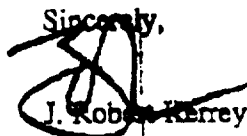
Congress granted the FCC authority to conduct these spectrum auctions based on the notion that small businesses and entrepreneurs should be given an opportunity to compete in the wireless telecommunications market. The Commission then developed auction rules that included special financing and ownership requirements favoring small businesses and entrepreneurs that could make this competitive vision a reality. I strongly support these decisions and hope that consumers will reap the long-term competitive benefits of a vigorous wireless market.

Unfortunately, many C-block license winners are experiencing serious financial difficulties casting some doubt on the future of competition in this market. As the FCC continues to work with these licensees to determine additional options for license payments, I encourage you to carefully consider the competitive implications of your decisions. I do not believe the Commission should dramatically revise the rules that govern these entities simply to guarantee their ability to retain licenses they could not otherwise afford. However, any solution devised by the Commission should give the defaulting C-block winners a fair opportunity to go forward in the Personal Communications System business with those licenses they are prepared to purchase at the full auction price.

A possible solution to this problem might be changing the installment payment schedule in such a way that will relieve some of the immediate pressure on these businesses. The Commission may also wish to consider allowing defaulting C-block bidders to return, without penalty, licenses they cannot afford. I encourage you to develop a commercially reasonable option that will ensure the rapid construction of these systems across the country.

I strongly believe a solution to this problem can be found that will facilitate competition in the PCS market and protect the taxpayers interest in these licenses.

Sincerely,



J. Robert Kerrey

THOMAS DASCHLE
SOUTH DAKOTA

COMMITTEE

AGRICULTURE

202 224-1221

TOLL FREE 1-800-434-1104

Internet: Tom_Daschle@daschle.senate.gov
Intranet: intranet.senate.gov/~tdaschle

EX PARTE DOCKET NO. 97-82

United States Senate

WASHINGTON, DC 20510-4103

February 11, 1998

18 6TH AVENUE, SW
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(410) 273-0821

618 8TH STREET
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RAVENHURST, MD 27708
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220 NORTH MAIN AVENUE, SUITE 8
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SOUTH PALM, FL 33701-1174
(813) 134-4886
TMO (609) 334-4827

The Honorable William Kennard
Chairman
Federal Communications Commission
1919 M Street, N.W.
Room 814
Washington, DC 20554

Dear Chairman Kennard:

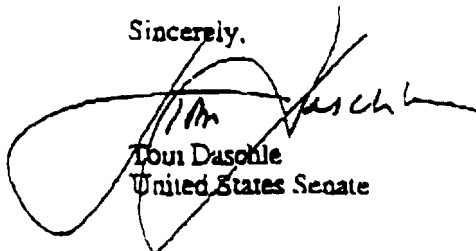
I am writing with regard to the Commission's deliberations on the C Block Personal Communications Services licenses.

It is my understanding that the Commission is currently reconsidering the restructuring plan for C Block licenses. The C Block licenses were created to promote opportunities for small businesses to compete in the wireless industry, and to foster increased services in rural states like South Dakota.

As you reconsider your restructuring plan, I urge you to take into account the interests of the American small business owners who have purchased C Block licenses to serve rural and underserved areas, including South Dakota. I also hope you will develop a commercially reasonable option that will allow licensees to build and operate their networks. Although this might prove to be a difficult task, it is essential to fulfilling the promise of increased services at affordable prices that led to the enactment of the Telecommunications Act of 1996.

With best wishes, I am

Sincerely,



Tom Daschle
United States Senate

TAD/gfi

THOMAS DASCHLE
SOUTH DAKOTA

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(202) 224-2321

TOLL FREE 1-800-424-9094

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EX PARTE DOCKET NO. 97-82

United States Senate

WASHINGTON, DC 20510-4103

February 11, 1998

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The Honorable William Kennard
Chairman
Federal Communications Commission
1919 M Street, N.W.
Room 814
Washington, DC 20554

Dear Chairman Kennard:

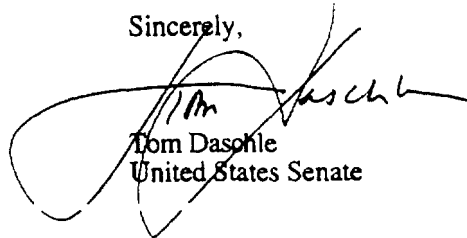
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As you reconsider your restructuring plan, I urge you to take into account the interests of the American small business owners who have purchased C Block licenses to serve rural and underserved areas, including South Dakota. I also hope you will develop a commercially reasonable option that will allow licensees to build and operate their networks. Although this might prove to be a difficult task, it is essential to fulfilling the promise of increased services at affordable prices that led to the enactment of the Telecommunications Act of 1996.

With best wishes, I am

Sincerely,



Tom Daschle
United States Senate

TAD/gfi

ALBERT R. WYNN.
4TH DISTRICT, MARYLAND
DEPUTY DEMOCRATIC WHIP

COMMITTEE

COMMERCE

TELECOMMUNICATIONS, TRADE
AND CONSUMER PROTECTION

ENERGY AND POWER

EX PARTE DOCKET NO. 97-82

CONGRESS OF THE UNITED STATES

HOUSE OF REPRESENTATIVES

WASHINGTON, DC 20515-2004

February 9, 1998

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(301) 839-5570

The Honorable William E. Kennard
Chairman
Federal Communications Commission
1919 M Street, N.W.
Washington, D.C. 20554

Dear Chairman Kennard:

I understand that the Commission will be deciding in the near future what action, if any, it will take with respect to various petitions for reconsideration of the license debt payment obligations for holders of Personal Communications Service (PCS) licenses in the Commission's C-block. As the Commission considers the petitions for reconsideration, I hope that the Commission will not lose sight of the objective to promote access to spectrum to minorities, women, and small businesses which Congress expressed when it provided the Commission authority to auction spectrum.

I understand that several minority, women and small business companies were successful in obtaining licenses in the Commission's C-block auctions, but that for a variety of reasons beyond their control, many of those companies have not been able to complete financing to construct and operate their systems.

Most of these minority, women and small business auction winners have paid and invested millions of dollars to reach the point of being able to construct and operate their PCS systems. It appears that most need only some additional time in the Commission's license payment procedures to complete their financing and begin payment for their licenses.

I hope that as the Commission considers the pending petitions for reconsideration, the Commission will not take any action which will preclude such licenses from being able to complete their financing, to begin making their license payments and complete construction of their PCS systems. Specifically, it is my hope that the Commission will consider: (1) extending the date by at least six months for licensees to resume their installment payments; (2) apply the Commission's newly adopted 180 day period procedures to C-block licensees; or (3) allow licensees who return 15 MHz of spectrum to the Commission through disaggregation of their

Page 2

February 9, 1998

I thank you in advance for your attention to this request.

licenses to apply their excess down payments and interest payments they have made to their upcoming installment payments, thereby providing them, in exchange for actual money already paid to the U.S. Government, a brief extension of time to complete their financing.

Thank you in advance for your attention to this request. I look forward to receiving your response.

Sincerely,

A handwritten signature in black ink, appearing to read "Albert R. Wynn". The signature is fluid and cursive, with a long horizontal stroke at the end.

Albert R. Wynn
Member of Congress

**EX PARTE
DOCKET NO. 97-82**

Congress of the United States
Washington, DC 20515

February 5, 1998

The Honorable William Kennard
Chairman
Federal Communications Commission
1919 M Street, NW
Room 814
Washington, D.C. 20554

Dear Chairman Kennard,

We are writing to you as Members of the Congressional Hispanic Caucus (CHC) of the House of Representatives to strongly urge that the Federal Communications Commission (FCC) reconsider its Report and Order in the so-called C block proceeding with the intention of developing a set of commercially reasonable solutions to the C block licensees' financial and regulatory situation. It is our understanding that the Commission has taken the positive step of deferring the election date so that its members, four of whom are newly appointed, have the opportunity to review the record and to reach a reasoned decision on reconsideration. As you review this record from a fresh perspective, it is important that you take into much more careful consideration the interests of the hundreds of small businesses, including many Hispanic-owned small businesses.

As you may know, in letters to the FCC dated May of 1996 and October of 1996 the Congressional Hispanic Caucus has urged you to study how minorities and women can effectively compete in the communication industry, identify unique impediments, and make specific recommendations to remedy those impediments. We remain concerned about the insufficient Latino participation in the C block auction and the opportunities for their participation in future actions.

It is important to note that the C block license is not only of interest to the Hispanic Members of Congress, but to all members of Congress as legislation was passed which specifically instructed the FCC to promote the interests of minorities in licensing new spectrum-based services in Section 309 of the Communications Act. The law states, in pertinent part, that the FCC shall "...promot(e) economic opportunity and competition... by disseminating licenses among a wide variety of applicants, including small businesses, rural telephone companies, and businesses owned by members of minority groups and women..." When Congress afforded this new opportunity, numerous minority entrepreneurs, investors, and small businesses involved in ancillary businesses that support telecommunications all became very enthusiastic about the opportunities to be provided. Many went right to work and supported, over a period of more than six years, the Commission's attempt to craft rules promoting new competitive opportunities.

Hopes were dashed and business plans often interfered with as the Commission, in an honest but prolonged trial and error fashion, wrote and rewrote the C block rules. Ultimately, the C block auction took place, but only long after the incumbent players in the A and B block auctions had been licensed. For a variety of reasons difficult to discern, it then took an extraordinarily long time to license these C block bidders. They then had to seek financing in a very different market from the one in which they bid.

We have provided this background to explain why we as Members of the Congressional Hispanic Caucus would like this Commission to work as creatively as possible to perfect and revise where necessary the set of options that the former Commissioners had devised. Downpayments made by entrepreneurs should not be treated in a punitive fashion as in the decision under review, and entrepreneurs should be given greater flexibility as to which licenses can be returned to the Commission without penalty. In Congress we believe, as I am confident this FCC does, that it is a regulator's job to foster new entry and to promote competition. Your review should be done with these considerations in mind and with an eye to assisting, rather than punishing, the very people whose entry into telecommunications is part of the American dream.

With best regards,

Ed Rosta
Robert A. Underwood
Rubén Hernández
Carlos Lomero Baeza
Luis V. Gutierrez
Bob Menendez

Edmundo B. Baeza
Louie Sanchez
J. E. Escobar
Esteban C. Torres
Lucille Bayal-Allard
Ciro J. Rodriguez

Attachments.

cc: Commissioner Susan Ness
Commissioner Gloria Tristani
Commissioner Michael Powell
Commissioner Harold Furchtgott-Roth

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EX PARTE DOCKET NO. 97-82

COMMITTEE ON WAYS AND MEANS
SUBCOMMITTEE ON HEALTH

CHAIRMAN,
CONGRESSIONAL HISPANIC CAUCUS

Congress of the United States House of Representatives

XAVIER BECERRA
30TH DISTRICT, CALIFORNIA

February 3, 1998

The Honorable William Kennard
Chairman
Federal Communications Commission
1919 M Street, N.W.
Room 814
Washington, DC 20554

Dear Chairman Kennard:

I am writing to urge the Federal Communications Commission (FCC) reconsider its Report and Order in the C block proceedings in order to develop a set of reasonable solutions to the C block licensees' financial and regulatory situation. It is my understanding that the Commission has taken the positive step of deferring the election date so that its members have the opportunity to review the record and reach a reasoned decision on reconsideration. As you review this record, it is important to take into careful consideration the interests of hundreds of small businesses, many of which are Hispanic owned.

I would like to remind you that Congress instructed the FCC to promote the interests of minorities in licensing new spectrum-based services. Section 309 of the Communications Act states that the FCC shall "...promot[e] economic opportunity and competition...by disseminating licenses among a wide variety of applicants, including small businesses, rural telephone companies, and businesses owned by members of minority groups and women..." When Congress afforded this new opportunity, numerous minority entrepreneurs, investors, and small businesses that provide telecommunications support displayed considerable enthusiasm. For over six years these investors and small businesses supported the Commission's attempts to craft rules promoting new competitive opportunities. The Commission, however, wrote and rewrote the C-block rules in a prolonged trial-and-error fashion. This often caused undue interference with business plans and dashed the hopes of minority investors and businesses seeking entry into the telecommunications market. Ultimately, the C block auction took place, but only long after the incumbent players in the A and B block auctions were licensed. For a variety of reasons, it then took an extraordinarily long time to license these C block bidders. As a result, these bidders had to seek financing in a very different marketplace from the one on which they based their bids.

I hope this background explains why I would like this Commission to revise the set of options the former Commissioners created. Downpayments made by entrepreneurs should not be treated in a punitive fashion as in the decision under review. In addition, entrepreneurs should be given greater flexibility as to which licenses can be returned to the Commission without penalty. In Congress we believe, as I am confident this FCC does,

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Honorable William Kennard
Page 2

that it is a regulator's job to promote competition and to foster new entry into the marketplace. Your review should take these considerations into account and attempt to assist, rather than punish, minorities desiring entry into the telecommunications market.

Sincerely,

A handwritten signature in black ink, appearing to read 'Xavier Becerra', written over a horizontal line.

XAVIER BECERRA
MEMBER OF CONGRESS

cc: Commissioner Susan Ness
Commissioner Gloria Tristani
Commissioner Michael Powell
Commissioner Harold Furchtgott-Roth

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EX PARTE DOCKET NO. 97-82

COMMITTEE
TRANSPORTATION AND
SUBCOMMITTEE ON SURFACE
SUBCOMMITTEE ON WATER RESOURCES
AND ENVIRONMENT

COMMITTEE ON SMALL BUSINESS
CHAIRMAN, SUBCOMMITTEE ON REGULATORY
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ASSISTANT MAJORITY WHIP

Congress of the United States
House of Representatives
Washington, DC 20515-3219

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☐ 105 SOUTH BEDFORD ROAD, ROOM #312-A
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December 31, 1997

The Honorable William Kennard
Chairman
Federal Communications Commission
1919 M Street, NW, Room 814
Washington, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Dear Chairman Kennard:

On August 11, 1997, I wrote a letter in support of a commercially reasonable restructuring of the payment terms for C-block Personal Communications Service (PCS) licensees. As you begin your tenure as Chairman of the Commission, I would like to go on record again saying that these licensees still need a commercially reasonable option that will allow them to construct and operate their networks in order to bring new services at competitive prices to consumers. These entrepreneurs and small businesses must be given a chance to access the marketplace if the goals of Congress as written in the Telecommunications Act of 1996, including the promotion of competition in the local telephone and wireless markets, are to be met. As a member of the Small Business Committee, I urge you to adopt a plan on the reconsideration that will allow the C-block licensees to move forward in the provision of their service to the public.

Again, I want to thank the Commission for its time and consideration.

Sincerely,



Sue Kelly
Member of Congress

cc: The Honorable Susan Ness
The Honorable Harold Furchtgott-Roth
The Honorable Michael K. Powell
The Honorable Gloria Tristani
Ms. Magalie Roman Salas (for inclusion in WT Docket No. 97-82)